

**Cosmo Oil Co., Ltd.**  
**Presentation on Results for**  
**Third Quarter of Fiscal 2012**

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**February 4, 2013**  
**Director, Senior Executive Officer**  
**Satoshi Miyamoto**

The following units are being phased in accordance with the plan announced on November 1, 2012:

**1** **January 2013**  
**Operations of the 2nd Topper system have been resumed.**



**2** **Starting from April 2013,**  
**Units on the 1st Topper system scheduled to resume their operations gradually.**  
**New LPG tanks scheduled to be put into use.**

1

<Outline of Results>

Suspended operations of the Chiba Refinery for the first nine months (Apr-Dec) of FY2012 adversely affected the profit, resulting in consolidated ordinary income of ¥ 4.1 billion (¥ 16.6 billion excluding inventory valuation impact).

2

<Deferred Tax Assets>

Deferred tax assets have been reviewed on a quarterly basis and no re-entry was made during the current quarter, resulting in net loss of ¥ 81.5 billion for the first nine months of FY2012.

3

<Full-Year Business Outlook>

Due to uncertainty of yen-dollar exchange rate and crude oil price trades in Jan-Mar 2013, no revision is made in the full-year business outlook as of today.

Unit: billion yen

	3Q FY2012 (Apr.-Dec.2012)	3Q FY2011 (Apr.-Dec.2011)	Changes
Net sales	2,278.5	2,229.5	49.0
Cost of sales	2,176.9	2,107.0	69.9
Selling, general and administrative expenses	90.4	94.0	-3.6
Operating income	11.2	28.5	-17.3
Non-operating income/expenses, net	-7.1	-4.3	-2.8
Ordinary income	4.1	24.2	-20.1
Extraordinary income/losses, net	-21.2	-19.1	-2.1
Income taxes	59.8	18.7	41.1
Minority interests	4.6	2.8	1.8
Net income	-81.5	-16.4	-65.1

## 【Reference】

Impact of inventory valuation	-12.5	13.6	-26.1
Operating income excluding impact of inventory valuation	23.7	14.9	8.8
Ordinary income excluding impact of inventory valuation	16.6	10.6	6.0

## Outline of Consolidated Operating results - Changes from 3Q FY2011

Unit: billion yen

	3Q FY2012	3Q FY2011	Changes
Consolidated ordinary income	4.1	24.2	-20.1
Impact of inventory valuation	-12.5	13.6	-26.1
Consolidated ordinary income excluding impact of inventory valuation	16.6	10.6	6.0
Net income	-81.5	-16.4	-65.1
①Purchased price of crude oil	109.71 USD/B	109.59 USD/B	0.12 USD/B
②JPY/USD exchange rate	80.18 yen/USD	79.43 yen/USD	0.75 yen/USD

## Consolidated Ordinary Income by Business Segment

	3Q FY2012	3Q FY2011	Changes
Petroleum business	-37.7	-6.1	-31.6
Petroleum business excluding impact of inventory valuation	-25.2	-19.8	-5.4
Petrochemical business	0.2	1.3	-1.1
Petrochemical business excluding impact of inventory valuation	0.2	1.4	-1.2
Oil E & P business	42.3	36.1	6.2
Other	-0.7	-7.1	6.4

\* impact of inventory valuation

Petroleum business : 3Q FY2012 -12.5 billion , 3Q FY2011 +13.7 billion

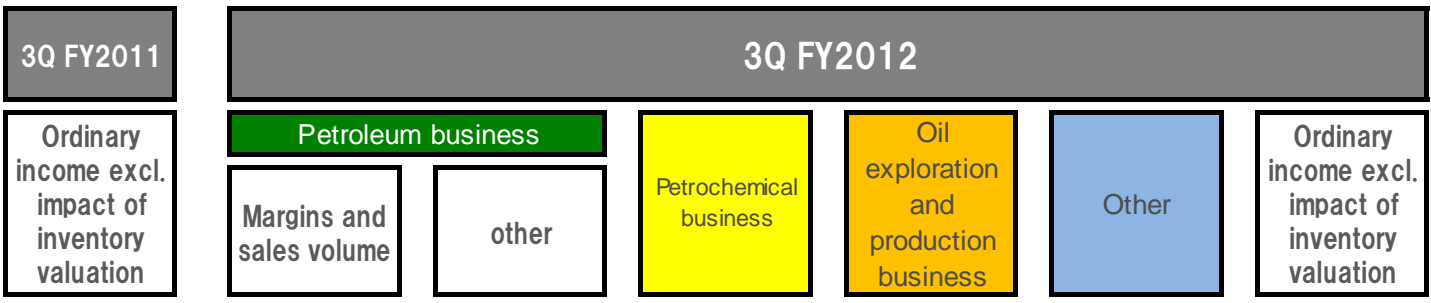
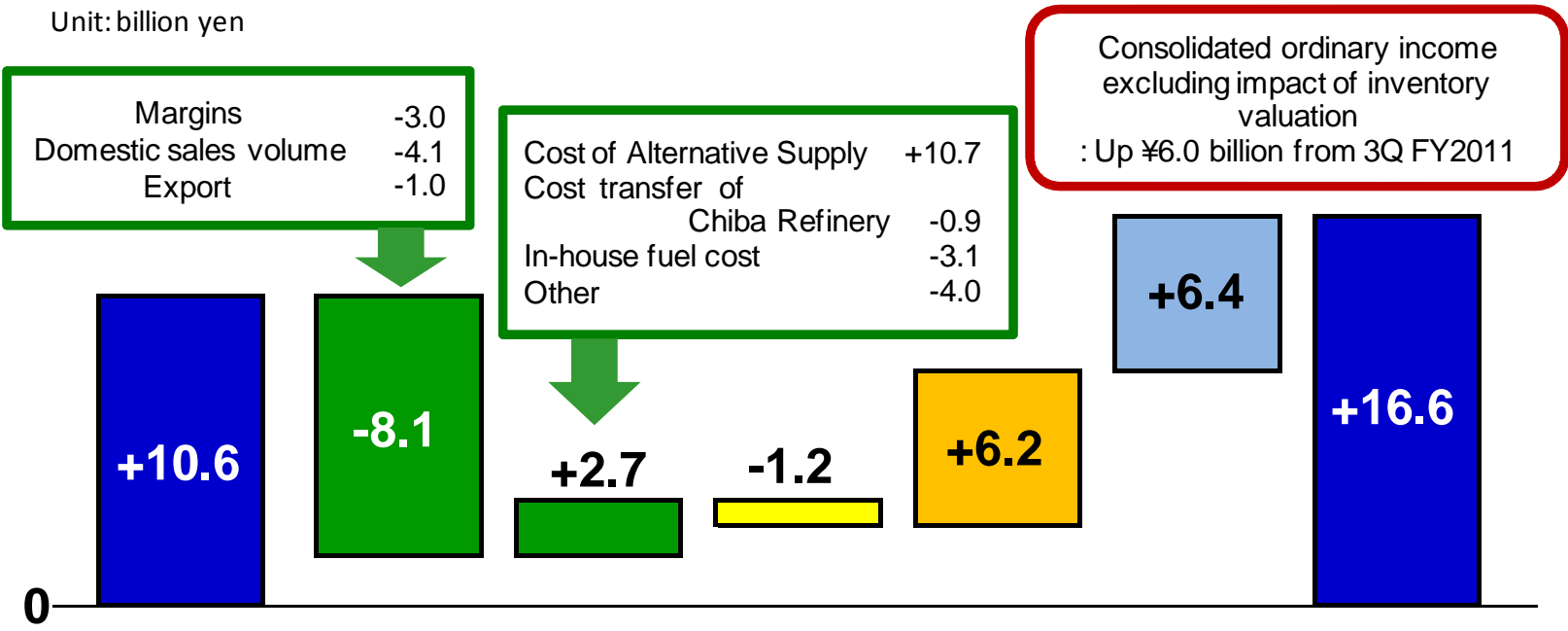
Petrochemical business : 3Q FY2012 0 , 3Q FY2011 -0.1 billion

[3Q FY2012 Results] Consolidated Ordinary Income  
 (Excluding impact of inventory valuation) – Analysis of Changes from 3Q FY2011

**Key variable factors**

**Petroleum business:** Despite reduced alternative supply cost, started improving margins from the summer 2012, profit reduced for the first nine months of the year.

**Oil E & P business:** The production problem was solved to get the production volume restored to the level before the problem occurred, increasing profit.



Unit: billion yen

	FY2012 (As of Dec. 31, '12)	FY2011 (As of Mar. 31, '12)	Changes
Total Assets	1,606.6	1,675.1	-68.5
Net assets	253.4	337.4	-84.0
Net worth	228.3	316.9	-88.6
Net worth ratio	14.2%	18.9%	Down 4.7 points
Interest-bearing debts	804.1	721.2	82.9
Debt dependence ratio	50.0%	43.1%	Down 6.9 points
Debt Equity Ratio	3.5	2.3	Down 1.2 points
Net interest-bearing debt *	670.6	598.8	71.8
Debt dependence ratio	41.7%	35.7%	Down 6.0 points
Debt Equity Ratio	2.9	1.9	Down 1.0 points

## Capital Expenditures, Depreciation, etc.

Unit: billion yen

	3Q FY2012 Results	Change from 3Q FY2011
Capital expenditures	26.2	5.7
Depreciation expense amount	33.7	-3.8

## Capital expenditures by Business Segment

Unit: billion yen

	3Q FY2012 Results	3Q FY2011 Results	Changes
Petroleum	19.2	12.1	7.1
Petrochemical	0.5	0.3	0.2
Oil E&P	7.0	7.4	-0.4
Other	0.4	0.3	0.1
adjustment	-0.9	0.4	-1.3
<b>Total</b>	<b>26.2</b>	<b>20.5</b>	<b>5.7</b>



# Supplementary Information

- P8** : [3Q FY2012 Results] Sales volume
- P9** : [3Q FY2012 Results] Crude Oil Procurement Cost and Processing Volume, Topper Operating Ratios, Crude Oil Production Volume
- P10** : [3Q FY2012 Results] Results by Business Segment – Changes from 3Q FY2011
- P11** : [3Q FY2012 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force
- P12** : [Reference: Forecast for Full-Year FY2012] Forecast by Business Segment, Assumption of Crude Oil Price and Exchange Rate, and Business Sensitivity thereto
- P13** : [Reference] Diesel Fuel Export Results and Margin Environment
- P14** : [Reference] Petrochemical business Aromatic Product Market Conditions 1
- P15** : [Reference] Petrochemical business Aromatic Product Market Conditions 2

		Unit: million litre				FY2012 Full Year outlook changes from FY2011
		3Q FY2012 Results	3Q FY2011 Results	Changes	Changes	
Selling volume in Japan	Gasoline	4,552	4,725	-173	96.3%	96.6%
	Kerosene	1,291	1,313	-22	98.4%	94.8%
	Diesel fuel	3,349	3,425	-76	97.8%	94.7%
	Heavy fuel oil A	1,388	1,523	-135	91.1%	91.5%
	Sub-Total	10,580	10,986	-406	96.3%	95.0%
	Naphtha	4,689	4,766	-77	98.4%	100.1%
	Jet fuel	350	357	-7	98.0%	99.7%
	Heavy fuel oil C	2,220	1,669	551	133.0%	121.6%
	inc. Heavy fuel oil C for electric	1,512	792	720	190.9%	149.8%
	Sub-Total	17,839	17,778	61	100.3%	99.1%
Middle distillate export volume	Diesel fuel	45	98	-53	46.1%	148.3%
	Kerosene/Jet	0	64	-64	0.0%	0.0%
	Sub-Total	45	162	-117	27.8%	102.8%
Bond sales, etc.	Jet fuel	1,271	1,168	103	108.8%	108.9%
	Heavy fuel oil C	382	397	-15	96.3%	104.4%
	Other	599	288	311	208.2%	172.2%
	Sub-Total	2,253	1,853	400	121.6%	118.5%
Barter deal, etc.		6,949	7,249	-300	95.9%	89.5%
<b>Total selling volume</b>		<b>27,086</b>	<b>27,041</b>	<b>45</b>	<b>100.2%</b>	<b>97.9%</b>

**[1] Crude oil procurement cost, processing volume and topper operating ratios**

		3Q FY2012	3Q FY2011	Changes from 3Q FY2011	
Purchased price of crude oil	Crude oil (FOB) USD/BBL	109.71	109.59	0.12	—
	JPY/USD exchange rate	80.18	79.43	0.75	—
	Purchased price of crude oil (tax inclusive) yen/KL	58,806	58,286	520	—
Crude oil refining	Refined crude oil volume (1,000 KL)	15,092	13,802	1,290	109.3%
	Atmospheric distillation operating ratio (Calendar Day)	53.2%	49.1%	4.1%	—
	Atmospheric distillation operating ratio (Streaming Day) *	82.6%	85.0%	-2.4%	—

\*Streaming day indicates operating ratio excluding the impact of suspended operations due to regular repairs and maintenance, etc.

**[2] Crude oil production volume**

		3Q FY2012	3Q FY2011	Changes	Investment ratio
Oil E & P subsidiary production volume (BBL/D)	Abu Dhabi Oil Co., Ltd.	21,483	22,111	97.2%	63.0%
	Qatar Petroleum Development Co., Ltd.	7,338	5,835	125.8%	75.0%
	United Petroleum Development Co., Ltd.	13,294	9,803	135.6%	45.0%

\* Production volume: Average Production volume by a project company during the term. Production volume of January-September, because each company ends its fiscal year in December.

## 3Q FY2012 Results – Changes from 3Q FY2011

Unit: billion yen

	Net Sales		Operating Income		Ordinary Income		Ordinary Income (excluding impact of inventory valuation, cost or market method)	
		Changes from FY2011		Changes from FY2011		Changes from FY2011		Changes from FY2011
Petroleum business	2,241.2	53.9	-27.4	-26.3	-37.7	-31.6	-25.2	-5.4
Petrochemical business	21.7	-0.1	0.7	0.1	0.2	-1.1	0.2	-1.2
Oil E&P business	62.2	1.2	39.8	3.0	42.3	6.2	42.3	6.2
Other	58.8	7.2	1.4	0.9	2.6	1.3	2.6	1.3
Write-off	-105.4	-13.2	-3.3	5.0	-3.3	5.1	-3.3	5.1
Total	2,278.5	49.0	11.2	-17.3	4.1	-20.1	16.6	6.0

## Cosmo Group of Companies (by Segment)

Petroleum business	: Cosmo Oil Co., Ltd., Cosmo Oil Sales Corp, Cosmo Petroleum Gas Co., Ltd., Cosmo Oil Lubricants Co., Ltd., etc.
Petrochemical business	: Cosmo Matsuyama Oil Co., Ltd., CM Aromatics Co., Ltd., Maruzen Petrochemical Co., Ltd. (owned by the Cosmo Oil Group on the equity method), Hyundai Cosmo Petrochemical Co., Ltd. (owned by the Cosmo Oil Group on the equity method)
Oil E & P business	: Abu Dhabi Oil Co., Ltd., Qatar Petroleum Development Co., Ltd., United Petroleum Development Co., Ltd. etc. (owned by the Cosmo Oil Group on the equity method), etc.
Other	: Cosmo Engineering Co., Ltd., Cosmo Trade & Services Co., Ltd., EcoPower Co., Ltd., etc.

# [3Q FY2012 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force

## [1] Workforce size (No. of persons)

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	3Q FY2012
Cosmo Oil alone	1,718	1,916	1,957	2,064	2,180	2,135	2,025	1,931
Cosmo Oil Group	3,451	3,335	3,299	3,269	3,325	3,268	3,098	2,919

\* Data as of the end of March of each fiscal year.

\* Group headcounts combine those of non-consolidated Cosmo Oil (up until FY2008), while combining those of non-consolidated Cosmo Oil, with those transferred, probationary employees and with senior employees (in FY2009 onwards).

## [2] No. of oil storage depots (DTs)

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	3Q FY2012
No. of DTs	38	38	38	38	36	35	35	35

## [3] No. of SSs by Operator Type

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	3Q FY2012
Subsidiary	1,190	1,122	1,104	1,023	1,025	967	939	926
Dealers	3,361	3,237	3,021	2,890	2,743	2,642	2,559	2,431
Total	4,551	4,359	4,125	3,913	3,768	3,609	3,498	3,357
Mobile SSs	95	57	53	47	43	36	34	33

\* Data up to FY2005 as of the end of December of each year. Data in FY2006 onwards as of the end of March of the year following each fiscal year

## [4] No. of Self-Service SSs out of the Total No. of SSs Mentioned [3] above.

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	3Q FY2012
Subsidiary	370	463	507	551	575	548	570	550
Dealers	256	326	360	404	429	455	437	441
Total	626	789	867	955	1,004	1,003	1,007	991
Share of Self-Service SSs	13.8%	18.1%	21.0%	24.4%	26.6%	27.8%	28.8%	29.5%

## [5] Cosmo The Card-Number of cards issued (including the number of Opus cards in force from 2006 onwards) (Unit: million cards)

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	3Q FY2012
No. of cards in force	2.55	2.80	3.05	3.35	3.57	3.67	3.81	3.94

Full-Year FY2012 Forecast Announced on November 2, 2012 with Year-on-Year Changes

Unit: billion yen

FY2012 Forecast	Net Sales		Operating Income		Ordinary Income		Ordinary Income (excluding impact of inventory valuation, cost or market method)	
		Changes from FY2011		Changes from FY2011		Changes from FY2011		Changes from FY2011
Petroleum business	2,970.0	-85.6	-24.0	-36.8	-33.0	-41.0	-20.0	-2.8
Petrochemical business	31.0	1.6	1.0	0.1	1.0	-1.1	1.0	-1.1
Oil E&P business	86.0	-1.6	53.0	1.2	57.5	5.5	57.5	5.5
Other	82.0	10.4	2.5	1.0	4.0	1.1	4.0	1.1
Write-off	-129.0	5.5	-4.5	-1.1	-4.5	-0.9	-4.5	-0.9
Total	3,040.0	-69.7	28.0	-35.6	25.0	-36.4	38.0	1.8

Precondition

- Purchased price of crude oil 108.20 USD/B
- JPY/USD exchange rate 78.70 yen/USD

Sensitivity

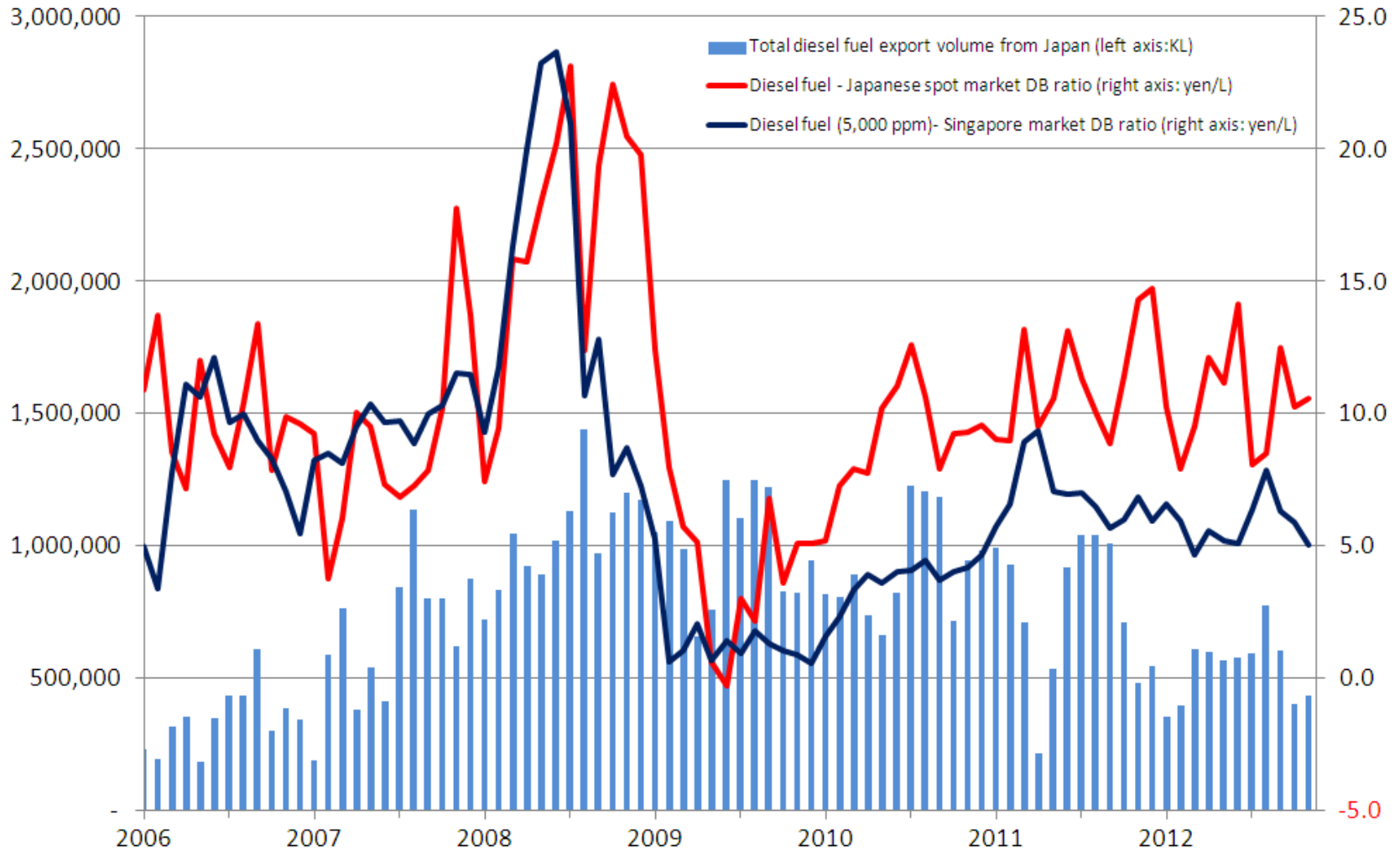
	Petroleum Business	Oil E & P Business
Crude oil + 1 USD/BBL	2.1 billion yen	0.3 billion yen
JPY/USD + 1 exchange rate	2.9 billion yen	0.4 billion yen

\* Figures above refer to impacts by crude oil price and yen-dollar exchange fluctuations on inventory valuation gains, in-house fuel costs and timing difference (by taking no impact by the cost or market method into consideration).

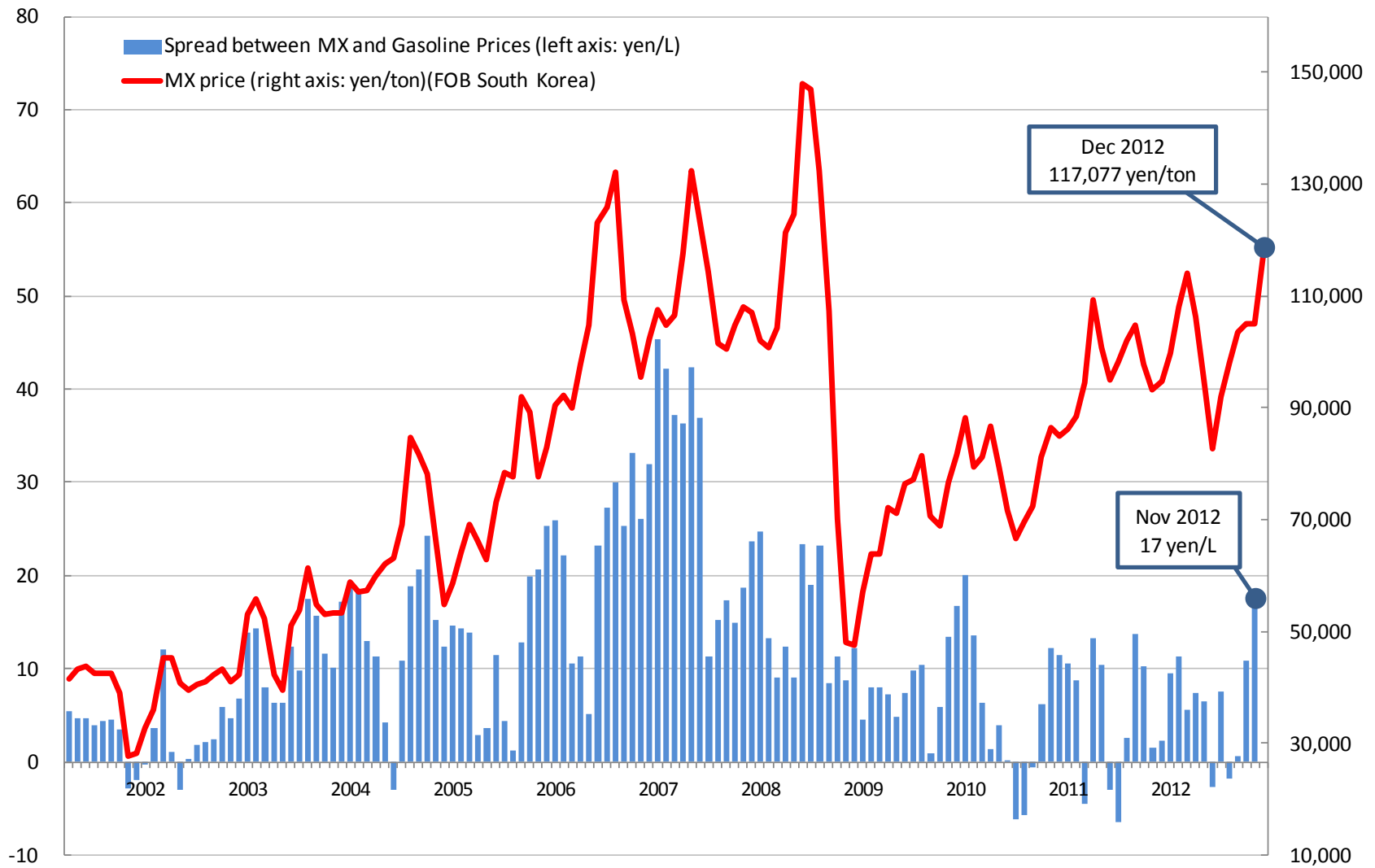
\*Sensitivity data above is based on the full-year FY2012 forecast announced in Nov. 2012.

\*A six-month period of Oct. 2012 to March 2013 adopted for sensitivity figure estimation for the petroleum business segment, and a three-month period of Oct. 2012 to Dec. 2012, for the oil exploration and production business.

Historical Changes in Diesel Fuel Export Volume and in Domestic and Overseas Margins

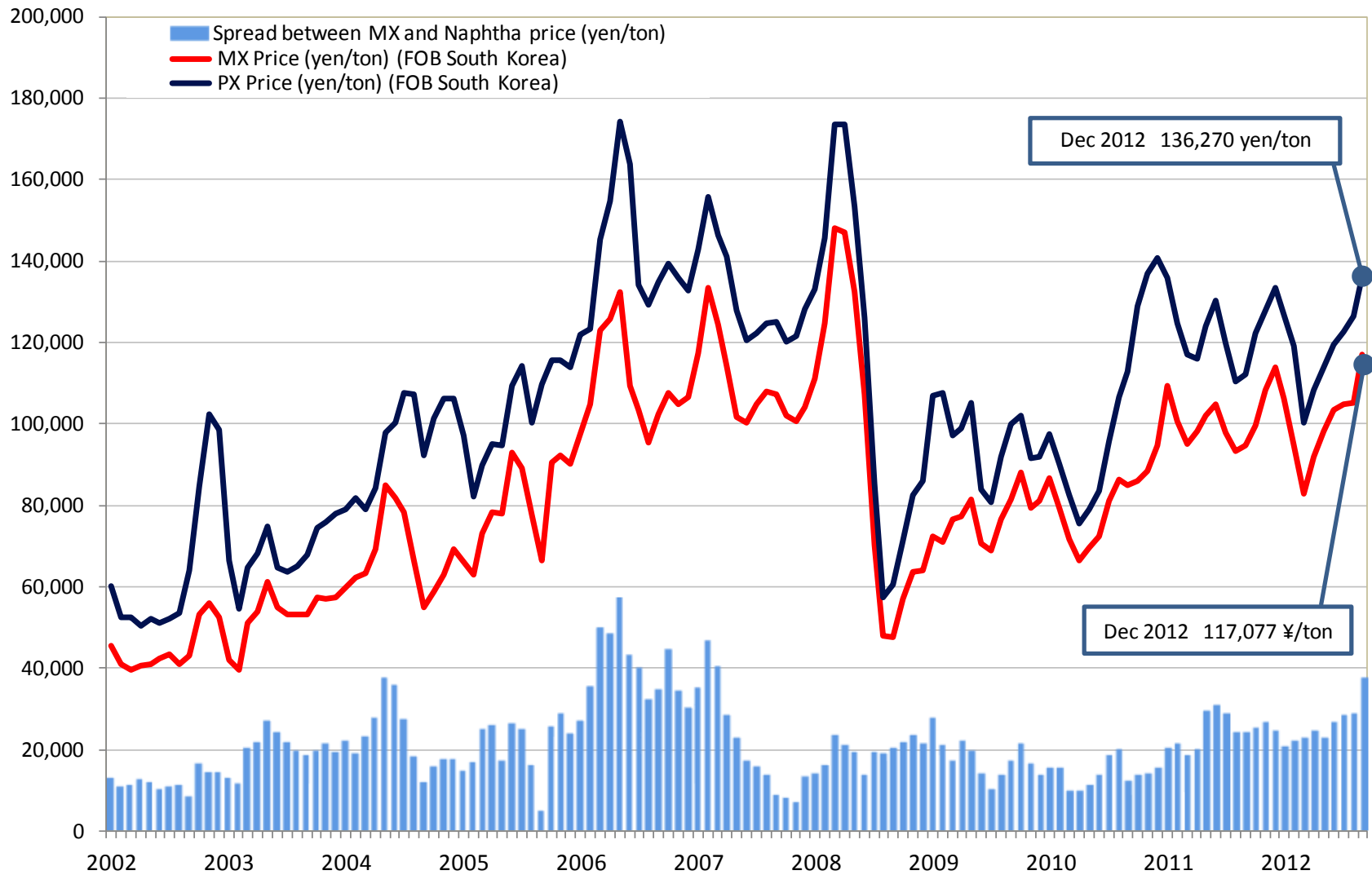


Historical Change in MX Market Conditions and Spreads between MX Prices and Gasoline Prices





Historical Change in PX & MX Market Conditions and Spreads between MX Prices and Naphtha Prices



## **Cautionary Statement Regarding Forward-Looking Scenarios**

**This presentation contains statements that constitute forward-looking scenarios. While such forward-looking scenarios may include statements based on a variety of assumptions and relating to our plans, objectives or goals for the future, they do not reflect our commitment or assurance of the realization of such plans, objectives or goals.**